

Message Text

LIMITED OFFICIAL USE

PAGE 01 ALGIER 02020 191728Z

43

ACTION XMB-07

INFO OCT-01 NEA-14 ISO-00 EB-11 COME-00 TRSE-00 FRB-03

OPIC-12 AID-20 DRC-01 RSC-01 /070 W

----- 075951

P 191705Z SEP 74

FM USINT ALGIERS

TO SECSTATE WASHDC PRIORITY 1113

LIMITED OFFICIAL USE ALGIERS 2020

PASS EXIM FOR MORAN

E.O. 11652: N/A

TAGS: EFIN, AG

SUBJ: EXIM LOAN FOR GTE HOME ELECTRONICS PROJECT

1. GTE REPRESENTATIVES CALLED AT USINT TODAY TO DISCUSS STATUS APPLICATION FOR EXIM LOAN TO FINANCE HOME ELECTRONICS PLANT. THEY VERY CONCERNED BY REPORTS LOAN APPLICATION BEING CONSIGNED TO SPECIAL STUDY GROUP AND BY RUMORS NEGATIVE DECISION POSSIBLE. THEY CONCERNED NOT ONLY BY POSSIBILITY THAT LOAN MIGHT NOT BE GIVEN, BUT ALSO BY DELAY, WHICH THEY CALCULATED WOULD COST THEM ABOUT 1.8 MILLION DOLLARS PER MONTH.

2. IT CLEAR AMERICAN COMMERCIAL INTERESTS WOULD BE SERVED BY FAVORABLE ACTION ON LOAN REQUEST. THERE ARE IMPRESSIVE MARKET POSSIBILITIES CONNECTED WITH IT. GTE ESTIMATES, FOR INSTANCE, THAT OVER 2 1/2 YEARS PROPOSED ELECTRONICS PRODUCT FACTORY WOULD GENERATE DEMAND FOR 90 MILLION DOLLARS WORTH OF COMPONENT PARTS FROM U.S. THERE WILL ALSO BE A LONG TERM COMMITMENT FOR CONTINUED IMPORTATION OF U.S. COMPONENTS SINCE ONLY 60 PERCENT OF THOSE REQUIRED WILL BE MANUFACTURED LOCALLY.

3. EXIM FINANCING MAKES CONSIDERABLE DIFFERENCE IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ALGIER 02020 191728Z

ECONOMICS OF PROJECT. GTE ESTIMATES DIFFERENCE BETWEEN

EXIM AND COMMERCIAL FINANCING AT 25 MILLION IN LONG TERM. WE UNDERSTAND ITT GERMANY INTERESTED IN CONTRACT FOR SAME FACTORY, BUT DO NOT KNOW AT WHAT STAGE THEY ARE. IT WOULD OF COURSE BE PREFERABLE FOR GTE TO GET CONTRACT.

4. PERHAPS EVEN GREATER IMPORTANCE IS POLITICAL SIGNIFICANCE WHICH ALGERIANS WOULD ATTACH TO DELAYS IN APPROVAL OF LOAN BY EXIM. ALTHOUGH SUCH DELAYS MIGHT BE OCCASIONED BY BROAD GAUGE CONSIDERATIONS, ALGERIANS WILL BE CERTAIN TO READ THEM AS SIGNAL OF CHANGE IN USG POLICIES TOWARDS THEM.

5. IF APPROVAL IS DELAYED, I EXPECT ALGERIA TO RAISE THIS WITH ME DIRECTLY. THEREFORE, WOULD APPRECIATE ANY GUIDELINES DEPARTMENT COULD GIVE ME AS TO OUTLOOK AND WHAT EXPLANATION I SHOULD GIVE FOR DELAY IF THERE IS TO BE ONE.
PARKER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LOANS, PROGRAMS (PROJECTS), ELECTRONICS INDUSTRY
Control Number: n/a
Copy: SINGLE
Draft Date: 19 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ALGIER02020
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740263-0333
From: ALGIERS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740933/aaaabbrv.tel
Line Count: 79
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 13 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13-Aug-2002 by izenbei0>; APPROVED <04 MAR 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXIM LOAN FOR GTE HOME ELECTRONICS PROJECT
TAGS: EFIN, AG, XMB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005